

**SOUTH BEND REDEVELOPMENT COMMISSION
REGULAR MEETING**

August 3, 2007

10:00 a.m.

Presiding: Marcia I. Jones, President

227 West Jefferson Boulevard

South Bend, Indiana

1. ROLL CALL

Members Present:

Ms. Marcia Jones, President
Mr. Karl King, Vice President
Mr. Greg Downes, Secretary
Mr. Hardie Blake, Jr.
Mr. Ken Peczkowski

Legal Counsel:

Mr. Charles S. Leone, Esq.

Redevelopment Staff:

Mr. Don Inks, Director
Mr. Jeffrey Gibney, Executive Director
Mrs. Cheryl Phipps, Recording Secretary
Mr. Bill Schalliol, Economic Development Specialist
Mr. Andrew Laurent, Economic Development Specialist
Ms. Jennifer Laurent, Economic Development Specialist
Mr. Nicholas Witwer, Economic Development Specialist

Others Present:

Ms. Jamie Loo, South Bend Tribune
Mr. Michael Divita, Community Development
Mr. David Fecteau, Community Development
Ms. Debrah Jennings, Property Manager
Ms. Rita Kopala
Ms. GlendaRae Hernandez
Ms. Linda Wolfson, Community Forum for Economic Dev
Mr. Tom Price, Mayor's Office
Mr. Pamela Meyer, Community Development
Mr. Steve Infalt, United Beverage
Mr. Nevin Siqueira, Value Production
Mr. Scott Singer, Imagineering
Mr. Mike Conn, Corporate Services
Mr. Gerald Lerman, Steel Warehouse
Mr. Mark Miller, Grubb & Ellis Cressy & Everett
Mr. Jeff McGowan, Kruggel & Lawton

South Bend Redevelopment Commission
Regular Meeting –August 3, 2007

2. APPROVAL OF MINUTES

**A. Approval of Minutes of the Regular Meeting of
Friday, July 20, 2007.**

Upon a motion by Mr. Downes, seconded by Mr.
Peczkowski and unanimously carried, the
Commission approved the Minutes of the Regular
Meeting of Friday, July 20, 2007.

COMMISSION APPROVED THE MINUTES OF THE
REGULAR MEETING OF FRIDAY, JULY 20, 2007

3. APPROVAL OF CLAIMS

Redevelopment Commission Claims submitted August 3, 2007 for approval.

324 AIRPORT AEDA

Witt Appraisal Services, Inc.	1,000.00	
Michaels Appraisal Service	700.00	
Meridian Title Corporation	600.00	
Ken Herceg & Associates, Inc.	23,188.00	
DHA	1,284.50	
Selge Construction Co., Inc.	13,918.07	
Selge Construction Co., Inc.	514,006.07	Expansion of Olive & Brick Rd.
Selge Construction Co., Inc.	389,224.57	Expansion of Olive & Brick Rd.
CFH Landscape Services	769.00	

414 SAMPLE EWING GENERAL

CFH Landscape Services	1,969.50
------------------------	----------

420 FUND TIF DISTRICT-SBCDA GENERAL

CFH Landscape Services	324.50
------------------------	--------

422 FUND WEST

CFH Landscape Services	178.50
------------------------	--------

428 FUND AIRPORT 2003

Walsh & Kelly	251,944.88
---------------	------------

430 FUND SOUTH SIDE DEVELOPMENT

CFH Landscape Services	205.00
------------------------	--------

\$1,199,312.59

3. APPROVAL OF CLAIMS (CONT.)

Upon a motion by Mr. Downes, seconded by Mr. King and unanimously carried, the Commission approved the Claims submitted August 3, 2007, and ordered checks to be released.

COMMISSION APPROVED THE CLAIMS
SUBMITTED AUGUST 3, 2007, AND ORDERED THE
CHECKS TO BE RELEASED

4. COMMUNICATIONS

There were no Communications.

THERE WERE NO COMMUNICATIONS

5. OLD BUSINESS

A. Public Hearings

- (1) Continuation of 7/20/07 Public Hearing on Resolution No. 2354 expanding the boundaries of the Airport Economic Development Area, expanding the allocation area for purposes of tax increment financing and amending the Airport Economic Development Area Development Plan. (Adding Miami Corridor to the AEDA)**

Mr. Inks noted that considerable comments were made during the public hearing last meeting, and after discussions with the Mayor and Common Council, staff recommends the Airport Economic Development Area not be expanded to include the Miami Corridor. Instead, staff requests authorization to investigate establishing the Miami Corridor as an Urban Renewal Area. The purpose is to continue the Façade Matching Grant program in the Commercial Corridors. The Legal Department has advised that this program needs to be run under the authority of the Redevelopment Commission. Redevelopment has specific statutory authority to do this type of program, but it

South Bend Redevelopment Commission
Regular Meeting –August 3, 2007

needs to be done in a certain fashion. It can be done in a redevelopment area, in an economic development area, in an urban renewal area, or by a neighborhood development corporation. There are six commercial corridors in the City of South Bend. Western Ave, Lincolnway West, and Portage Ave. will continue their Façade Matching Grant programs through neighborhood development corporations. Miami St. and Mishawaka Ave. corridors will be run through urban renewal areas. Since the South Gateway (S. Michigan/S. Main) corridor runs through the South Bend Central Development Area, the newly expanded Airport Economic Development Area, and the South Side Development Area, it is already included in either a redevelopment area or an economic development area. The Façade Matching Grant program for those corridors can, therefore, be run under the authority of the Redevelopment Commission.

Mr. King made a motion to withdraw Resolution No. 2354 and cancel the public hearing on Resolution No. 2354. Mr. Downes seconded the motion. The motion carried with a unanimous vote.

PUBLIC HEARING CANCELED

Mr. King made a motion to authorize staff to proceed with necessary steps to analyze and make a recommendation regarding the establishment of an Urban Renewal Area covering Miami Corridor. Mr. Downes seconded the motion. The motion carried with a unanimous vote.

(2) Commission approval requested for Resolution No. 2354.

Item withdrawn.

RESOLUTION No. 2354 WITHDRAWN

5. OLD BUSINESS (CONT.)

B. Airport Economic Development Area

- (1) Commission approval requested for proposal for professional services in the Airport Economic Development Area. (Survey work, Miami corridor expansion)**

Mr. Witwer noted that Wightman Petrie submitted a proposal to write the legal description for the Miami Corridor. The original intent was that it was needed to be incorporated into the Airport Economic Development Area. Since Resolution No. 2354 was withdrawn with the intention of making the Miami Corridor an Urban Renewal Area, the legal description will be needed for that action. The cost for services is \$1,300.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried the Commission approved the request for proposal for professional services in the Airport Economic Development Area and accepted the proposal from Wightman Petrie in the amount of \$1,300 for the scope of services proposed.

COMMISSION APPROVED THE REQUEST FOR PROPOSAL FOR PROFESSIONAL SERVICES IN THE AIRPORT ECONOMIC DEVELOPMENT AREA AND ACCEPTED THE PROPOSAL FROM WIGHTMAN PETRIE IN THE AMOUNT OF \$1,300 FOR THE SCOPE OF SERVICES PROPOSED

6. NEW BUSINESS

A. Tax Abatements

- (1) Commission approval requested for Resolution No. 2363 approving an application for real property tax deduction for property located at 220 West Colfax Ave in the South Bend Central Development Area. (Colfax Place condominiums)**

6. NEW BUSINESS (CONT.)

A. Tax Abatements

(1) continued...

Mr. Schalliol gave the staff report on the project. Colfax Place Associates intends to convert a 28,059 sft office building to condominiums. 24,783 sft will be used for condominiums (2nd through 7th floors). A maximum of twelve units will be constructed. 3,276 sft will be retained for commercial use. The condos will range in size from 1,544 sft to 3,800 sft and will contain two or more bedrooms (buyer's preference), two to three bathrooms, living room and kitchen. On site parking will be provided. The condos will range from \$259,000 for a 1,544 sft unit on the 2nd floor to \$850,000 for a 3,800 sft unit on the top floor. Total project cost is estimated to be \$4,100,000.

Mr. Schalliol noted that the total taxes to be abated over five years is estimated at \$10,262 for any size unit. For the largest unit, the taxes estimated to be paid is 50,495. The smallest unit will pay approximately \$16,072 in taxes over the five years.

The property is properly zoned for the proposed use. However, the Building Commissioner noted that two building permits have been issued to prepare showrooms. The showrooms will eventually be demolished for the construction of condos. The abatement will not include the value of that construction.

The property is within the South Bend Central Development Area; therefore,

South Bend Redevelopment Commission
Regular Meeting –August 3, 2007

approval of the tax abatement petition by the South Bend Redevelopment Commission is required. The project qualifies for a five year residential tax abatement under the tax abatement ordinance.

Mr. Downes made a motion to approve Resolution No. 2363 approving an application for real property tax deduction for property located at 220 West Colfax Ave in the South Bend Central Development Area. Mr. King seconded the motion. The vote was four to one with Mr. Peczkowski opposed. The motion carried.

COMMISSION APPROVED RESOLUTION No. 2363
APPROVING AN APPLICATION FOR REAL
PROPERTY TAX DEDUCTION FOR PROPERTY
LOCATED AT 220 WEST COLFAX AVE IN THE
SOUTH BEND CENTRAL DEVELOPMENT AREA
(COLFAX PLACE ASSOCIATES)

**(2) Commission approval requested for
Resolution No. 2371 approving an
application for personal property tax
deduction for property located at 3722
Foundation Court in the Airport
Economic Development Area.
(Imagineering Enterprises, Inc.)**

Mr. Schalliol gave the staff report on the project. Imagineering Enterprises, Inc. intends to acquire a vacant 59,000 sft building at 3722 Foundation Court to use as a processing facility and South Bend office. The total project cost is estimated at \$5.1 million with new equipment being installed at a cost of \$5.3 million. The processing facility will provide electroless nickel plating, phosphate coatings, passivation processes, non destruction testing and quality assurance testing for clients' components as the final step in the manufacturing process. The new equipment for manufacturing will include lab equipment, wet processing and phosphate passivation equipment, paint line, NDT equipment, and waste treatment equipment.

South Bend Redevelopment Commission
Regular Meeting –August 3, 2007

Total taxes to be abated during the five-year abatement are estimated at \$213,238. Total taxes to be paid during the five year abatement are estimated to be \$110,964.

Imagineering estimates that the project will create six new permanent, full-time jobs within the first year with a new annual payroll of \$190,000. The project will also maintain sixty-nine existing full-time and two existing part time jobs representing an annual payroll of \$2,687,738.

Imagineering has been granted two previous real property tax abatements and one previous personal property abatement. The two real property abatements were for projects to be constructed on Nimtz Parkway. The projects were never built and the tax abatements were not instituted. Imagineering will move to 3722 Foundation Court instead

The property is properly zoned for the proposed use. The property is within the Airport Economic Development Area, a tax increment allocation area; therefore the petition for personal property tax abatement must first be approved by the South Bend Redevelopment Commission. The project qualifies for five years of personal property tax deduction under the tax abatement ordinance.

Mr. Scott Singer, Imagineering, noted that the parts to be processed with the new equipment will be used on the new AMG Humvee.

Mr. King made a motion to approve Resolution No. 2371 approving an application for personal property tax deduction for property located at 3722

COMMISSION APPROVED RESOLUTION NO. 2371
APPROVING AN APPLICATION FOR PERSONAL
PROPERTY TAX DEDUCTION FOR PROPERTY
LOCATED AT 3722 FOUNDATION COURT IN THE
AIRPORT ECONOMIC DEVELOPMENT AREA

South Bend Redevelopment Commission
Regular Meeting –August 3, 2007

Foundation Court in the Airport Economic Development Area. Mr. Downes seconded the motion. The motion carried on a vote of four to one with Mr. Peczkowski opposed.

(IMAGINEERING)

(3) Commission approval requested for Resolution No. 2355 approving an application for real property tax deduction for property located at 5855 Carbonmill Dr. in the Airport Economic Development Area. (GWSB—Corporate Services, lessee)

Mr. Schalliol gave the staff report on the project. GWSB owns the property and leases to Corporate Services. The building is not air conditioned. Corporate Services provides print materials and needs a climate controlled environment. So the project is to install a new HVAC system to control humidity for the tenant, Corporate Services. The estimated cost is \$300,000 to \$500,000. The project qualifies for six years of abatement under the tax abatement ordinance. The amount to be abated would be \$36,944 to \$60,157, depending on the ultimate project cost. Taxes to be paid would be \$25,430 to \$42,380. The project is expected to create eighteen permanent full-time jobs in the first year with an annual payroll of \$465,000 and will maintain six existing full-time jobs with an annual payroll of \$156,000.

Mr. Downes made a motion to approve Resolution No. 2355 approving an application for real property tax deduction for property located at 5855 Carbonmill Dr. in the Airport Economic Development Area. Mr. King seconded the motion. The motion passed on a vote of four to one with Mr. Peczkowski opposed.

COMMISSION APPROVED RESOLUTION NO. 2355
APPROVING AN APPLICATION FOR REAL
PROPERTY TAX DEDUCTION FOR PROPERTY
LOCATED AT 5855 CARBONMILL DR. IN THE
AIRPORT ECONOMIC DEVELOPMENT AREA.
(GWSB, CORPORATE SERVICES, LESSEE)

(4) Commission approval requested for

Resolution No. 2356 approving an application for personal property tax deduction for property located at 2629 Foundation Drive in the Airport Economic Development Area. (Value Production)

Mr. Schalliol gave the staff report on the project. Value Production is interested in increasing the amount of the five-year personal property tax abatement granted in Resolution No. 2273 on October 20, 2006. The amount requested was \$500,000. They are now planning to add four vertical CNC machines and a CNC lathe which have a total cost of \$750,000, thus bringing the project total to \$1,250,000. This latest phase of the project will create five new permanent jobs within the first year representing a new annual payroll of \$175,000 and maintaining nineteen full-time and one part-time job with an annual payroll of \$500,000. Value Production is asking that this abatement be moved through the process and added to the above mentioned Council resolution.

Mr. Siquiera noted that the company has a great opportunity to get a contract with the military and would appreciate approval of this request.

Mr. King made a motion to approve Resolution No. 2356 approving an application for personal property tax deduction for property at 2629 Foundation Drive. Mr. Downes seconded the motion. The motion passed on a vote of four to one with Mr. Peczkowski opposed.

COMMISSION APPROVED RESOLUTION NO. 2356
APPROVING AN APPLICATION FOR PERSONAL
PROPERTY TAX DEDUCTION FOR PROPERTY
LOCATED ON 2629 FOUNDATION DRIVE IN THE
AIRPORT ECONOMIC DEVELOPMENT AREA
(VALUE PRODUCTION)

- (5) **Commission approval requested for Resolution No. 2357 approving an application for real property tax deduction for property located adjacent to 840**

United Drive in the Airport Economic Development Area. (Nelson Dee, LLC United Beverage)

Mr. Schalliol gave the staff report on the project. United Beverage has been a beer wholesaler for 75 years. They have been at their current location for 40 years. The market for beer has been shifting from cans to bottles, so they need to expand their storage capacity. They want to add 15,000 sft to their warehouse space. The estimated value of the project is \$2,500,000. Taxes to be abated during the ten-year abatement are estimated at \$424,000. The amount of new taxes expected to be paid during that time is \$432,000. The project is estimated to create between five and seven new jobs over the first five years. Sixty-three existing jobs will also be retained with an annual payroll of \$3.2 million.

Mr. Downes made a motion to approve Resolution No. 2357 approving an application for real property tax deduction for property located adjacent to 840 United Drive in the Airport Economic Development Area. Mr. King seconded the motion. The motion passed on a vote of four to one with Mr. Peczkowski opposed.

COMMISSION APPROVED RESOLUTION NO. 2357
APPROVING AN APPLICATION FOR REAL
PROPERTY TAX DEDUCTION FOR PROPERTY
LOCATED ADJACENT TO 840 UNITED DRIVE IN
THE AIRPORT ECONOMIC DEVELOPMENT AREA.
(NELSON DEE, LLC UNITED BEVERAGE)

(6) Commission approval requested for Resolution No. 2360 approving an application for personal property tax deduction for property located at 2722 W. Tucker Dr. in the Airport Economic Development Area. (Steel Warehouse)

Mr. Schalliol gave the staff report on the project. Steel Warehouse is applying for three abatements. One at 2722 Tucker Drive, one at 1400 Riverside Drive and one at 1217

South Bend Redevelopment Commission
Regular Meeting –August 3, 2007

Walnut Street. They are installing new equipment at each of these locations. The total estimated cost of equipment for all three locations will range from \$4,400,000 to \$11,000,000. Depending on the exact amount of the investment, taxes to be abated during the five years of abatement are expected to range from \$268,000 to \$672,000. Taxes to be paid during that time are estimated to range from \$149,000 to \$350,000. The reason for the wide range is that there is a two year time period for installing the new equipment. Depending on the market and the cost of equipment, they aren't sure how much equipment they will purchase during that time. Asking for the range allows them to be flexible and not have to come back for additional abatement during that time.

The project is expected to create up to five new full-time jobs at the Tucker St. location, and five to twenty-five jobs at the Walnut St. location and to retain 481 full time jobs with an annual payroll of \$22.7 million at all three facilities.

Mr. Blake noted that he will abstain from the vote on the Steel Warehouse tax abatements as his company does business with Steel Warehouse. He noted that Steel Warehouse makes a point of trying to use minority businesses.

Mr. King made a motion to approve Resolution No. 2360 approving an application for personal property tax deduction for property located at 2722 W. Tucker Dr. in the Airport Economic Development Area. Mr. Downes seconded the motion. The motion passed on a vote of three to one with Mr. Peczkowski opposed.

COMMISSION APPROVED RESOLUTION NO. 2360
APPROVING AN APPLICATION FOR PERSONAL
PROPERTY TAX DEDUCTION FOR PROPERTY
LOCATED AT 2722 W. TUCKER DR. IN THE
AIRPORT ECONOMIC DEVELOPMENT AREA.
(STEEL WAREHOUSE)

South Bend Redevelopment Commission
Regular Meeting –August 3, 2007

Mr. Blake abstained.

- (7) **Commission approval requested for Resolution No. 2359 approving an application for personal property tax deduction for property located at 1215, 1217 S. Walnut St. in the Sample-Ewing Development Area. (Steel Warehouse)**

Mr. King made a motion to approve Resolution No. 2359 approving an application for personal property tax deduction for property located at 1215 and 1217 S. Walnut St. in the Airport Economic Development Area. Mr. Downes seconded the motion. The motion passed on a vote of three to one with Mr. Peczkowski opposed. Mr. Blake abstained.

COMMISSION APPROVED RESOLUTION No. 2359
APPROVING AN APPLICATION FOR PERSONAL
PROPERTY TAX DEDUCTION FOR PROPERTY
LOCATED AT 1215 AND 1217 S. WALNUT ST. IN
THE AIRPORT ECONOMIC DEVELOPMENT AREA
(STEEL WAREHOUSE)

B. Housing

- (1) **Commission approval requested for loan and grant in connection with the South Bend Home Improvement Program for property located at 2604 Woodmont Dr. (Jodie Cruickshank)**

Mr. Inks noted that this is the first of the SBHIP loans/grants to come through the Commission this year. The loan is in the amount of \$2,650. The grant is \$2,532.75.

Mr. Peczkowski asked for an explanation of the South Bend Home Improvement Program.

Ms. Pamela Meyer, Director of Community Development, explained that the program has been in operation for at least twenty years. It allows low income people to receive a loan, grant, or combination of the two for safety related (roofing, furnace, water heater, etc.)

South Bend Redevelopment Commission
Regular Meeting –August 3, 2007

repairs to their homes. Applicants apply and are awarded on a first come, first served basis until the year's money is gone. This is the first loan/grant this year because we did not get access to the federal CDBG funds until late; then the employee who had been managing the program resigned. Typically, Community Development does about fifty of the loans per year.

Upon a motion by Mr. Downes, seconded by Mr. Peczkowski and unanimously carried, the Commission approved the loan and grant in connection with the South Bend Home Improvement Program for property located at 2604 Woodmont Dr. (Jodie Cruickshank)

COMMISSION APPROVED THE LOAN AND GRANT IN CONNECTION WITH THE SOUTH BEND HOME IMPROVEMENT PROGRAM FOR PROPERTY LOCATED AT 2604 WOODMONT DR. (JODIE CRUICKSHANK)

C. South Bend Central Development Area

(1) Commission approval requested for Authorization for Entry Upon and the Temporary use of public property located within the South Bend Central Development Area. (Rink site by DTSB for ArtBeat)

Ms. Jennings noted that Downtown South Bend has requested use of the former Rink site for ArtBeat 2007 on Thursday, September 6, 2007 from 4:00 to 8:30. They will be placing a professional stage for musical dance performances, visual art displays as well as food and drink stands. The event has become more popular each year and has been a great way to bring people and life to the downtown.

Mr. King noted that the document provided in the Commission's packet states that the site is needed for the event from 4:00 p.m. to 6:00 p.m. He asked if that was a mistake and needed to be amended. Ms. Jennings agreed

South Bend Redevelopment Commission
Regular Meeting –August 3, 2007

that they need it for the event until 8:30 p.m. They would also need time for setup and teardown.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission authorized use of the former Rink Riverside site by Downtown South Bend on September 6, 2007 for ArtBeat, as well as before and after event hours for setup and tear down.

COMMISSION AUTHORIZED USE OF THE FORMER RINK RIVERSIDE SITE BY DOWNTOWN SOUTH BEND ON SEPTEMBER 6, 2007 FOR ARTBEAT, AS WELL AS BEFORE AND AFTER THE EVENT FOR SETUP AND TEAR DOWN

(2) Commission approval requested for contract for consulting services for East Bank Planning. (JJR, LLC)

Mr. Inks noted that this follows the proposal that was previously approved and accepted by the Commission. It calls for a Phase I planning effort for \$50,000, including a fact finding trip to South Bend by the consultant, a design charrette to be coordinated by the consultant, preparation of a Master Plan and presentation of that Master Plan.

Mr. Peczkowski asked if the sites represented by numbers on page 8 of the contract are the only sites for which planning will be done. He noted that there are many other businesses that consider themselves to be in the East Bank area. Mr. Gibney responded that the intent of the master plan is to look at vacant or underutilized parcels and what might be done with those sites. The plan will not address properties where there is currently an appropriate use.

Mr. Peczkowski noted that the Hall of Fame and Century Center are represented by numbers. He asked if they are considered underutilized? Mr. Gibney responded that those properties are numbered because

South Bend Redevelopment Commission
Regular Meeting –August 3, 2007

additional cultural and entertainment venues will be discussed as potential uses for the underutilized properties and the relationship of these sites will impact such discussion.

Mr. Peczkowski asked what Phase II will be. Mr. Gibney responded that Phase II will begin immediately after completion of Phase I and will go from Jefferson St., sweeping around the Howard Park area over along the riverbank side to Eddy St. Hopefully there will be consensus on the vision for East Bank development. Then the Redevelopment Commission will have a comprehensive plan that it can use as a guide as it looks at potential investment in support of development activities on the East Bank.

Upon a motion by Mr. Downes, seconded by Mr. King and unanimously carried, the Commission approved the contract with JJR, LLC for East Bank planning.

COMMISSION APPROVED THE CONTRACT WITH JJR, LLC FOR EAST BANK PLANNING

D. Airport Economic Development Area

(1) Commission approval requested for Resolution No. 2366 approving and accepting a counter offer for the acquisition of property in the Airport Economic Development Area. (1633 Knoblock)

Mr. Witwer noted that the Commission sent a purchase offer for this property. A counter offer has been received in the amount of \$65,500. The property owners had their own appraisal done which valued the property at \$65,500. Staff recommends approval.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission accepted the counter offer in the

COMMISSION ACCEPTED THE COUNTER OFFER IN THE AMOUNT OF \$65,500 FOR 1633 KNOBLOCK

amount of \$65,500 for 1633 Knoblock.

(2) Commission approval requested for Purchase Agreement with Stephen K. and Teri A. Freel. (1633 Knoblock)

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved the Purchase Agreement with Stephen K. and Teri A. Freel for 1633 Knoblock)

COMMISSION APPROVED THE PURCHASE AGREEMENT WITH STEPHEN K. AND TERI A. FREEL FOR 1633 KNOBLOCK)

(3) Commission approval requested for Confidential Settlement with an insurance carrier of the White Farm Equipment Company.

Mr. Leone noted that the confidentiality of this agreement relates to the specific terms of the agreement. Staff may comment on the issues that gave rise to this particular dispute. It is the subject of environmental litigation which has been filed by special counsel, Plews Shadley, in Indianapolis courts.

Mr. Laurent explained that the confidential settlement is related to the city and Commission's claim for past environmental damages at the site of the former Oliver Chilled Plow Works. That suit was filed against previous owners of the site, White Farm Equipment Company and the Oliver company. This settlement is related to a similar effort with the Studebaker properties of environmental cost recovery. There were environmental policies that these companies had, general comprehensive liability policies that for a time included environmental damages that occurred while the companies owned the property and while these insurance policies were in place. It has been our effort over the past five or six years to try

South Bend Redevelopment Commission
Regular Meeting –August 3, 2007

and recover some of our costs, past and future, for the environmental damages. We cannot talk about the terms of the confidential settlement, other than that legal counsel and staff feel this is in the best interest of the city, adjacent residents, and future property owners. Any funds that are provided as a result of the settlement will be used to address these environmental conditions and for redevelopment of the property.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission approved the Confidential Settlement with an insurance carrier of the White Farm Equipment Company.

COMMISSION APPROVED THE CONFIDENTIAL SETTLEMENT WITH AN INSURANCE CARRIER OF THE WHITE FARM EQUIPMENT COMPANY

E. South Bend Medical Services District

There was no business in the South Bend Medical Services District.

F. West Washington-Chapin Development Area

(1) Quarterly report from South Bend Heritage Foundation on activities in the West Washington-Chapin Development Area.

Mr. Schalliol gave the report on behalf of South Bend Heritage Foundation. The report covers April to June 2007 for the West Washington-Chapin Development Area. Most of the activities were related to the Natatorium. The project looks considerably different now than three months ago.

Mr. King made a motion to acknowledge receipt of the Quarterly Report from South Bend Heritage Foundation on activities in the West Washington-Chapin Development

COMMISSION ACKNOWLEDGED RECEIPT OF THE QUARTERLY REPORT FROM SOUTH BEND HERITAGE FOUNDATION ON ACTIVITIES IN THE WEST WASHINGTON-CHAPIN DEVELOPMENT AREA

South Bend Redevelopment Commission
Regular Meeting –August 3, 2007

Area. Mr. Downes seconded the motion the vote was four in favor. Ms. Jones abstained.

G. South Side Development Area

There was no business in the South Side Development Area.

H. Northeast Neighborhood Development Area

- (1) **Filing of Resolution No. 2370 amending the Northeast Neighborhood Development Area Development Plan (adding Triangle redevelopment area parcels to the acquisition list)**

Mr. Schalliol asked the Commission to set a public hearing on Resolution No. 2370 for September 7, 2007 at 10:00 a.m.

Mr. Peczkowski asked if the current owners of the properties are all private individuals. Mr. Schalliol responded that they are. Resolution No. 2370 will contain a complete list of the property owners.

Upon a motion by Mr. King, seconded by Mr. Downes and unanimously carried, the Commission accepted for filing Resolution No. 2370 and set a public hearing on Resolution No. 2370 for 10:00 a.m., September 7, 2007.

COMMISSION ACCEPTED FOR FILING
RESOLUTION NO. 2370 AND SET A PUBLIC
HEARING ON RESOLUTION NO. 2370 FOR
10:00 A.M., SEPTEMBER 7, 2007

I. Douglas Road Economic Development Area

There was no business in the Douglas Road Economic Development Area.

J. Other

- (1) **Commission approval requested for Agreement for Services by and between**

**the City of South Bend, Department of
Redevelopment, acting by and through the
South Bend Redevelopment Commission
and South Bend Heritage Foundation.
(For implementation of the Dollar House
Program)**

Mr. Inks noted that items 6J(1), 6J(2) and 6J(3) are all related to the same vacant housing initiative that the city is undertaking. That initiative included a million dollars set aside in 2007: one-half million for demolition of abandoned properties and one-half million allocated to a “dollar house” program. The contracts in item 6J(1) with South Bend Heritage Foundation and 6J(2) with the Northeast Neighborhood Revitalization Organization Inc. are for implementation of that dollar house program. Each agreement provides for service fees and stipulates in the scope of services what those non-profit agencies will provide. Essentially, they will provide acquisition, rehabilitation and disposing of the property through the dollar home program. They would be acting on the Commission’s behalf to accomplish those activities. The total amount available to each non-profit, including their service fee, is \$166,000. The service fee is the only part that goes to the NFP. The balance of the funds will be spent by the city paying for the appraisals, acquisition, renovation and cleanup.

Mr. Peczkowski asked the relationship between South Bend Heritage Foundation and the Northeast Neighborhood Revitalization Organization Inc. since they share the same address. Mr. Inks responded that South Bend Heritage Foundation is under contract to the NNRO to administer programs in the NNRO’s efforts in the

South Bend Redevelopment Commission
Regular Meeting –August 3, 2007

Northeast Neighborhood.

Mr. Peczkowski asked if, then, South Bend Heritage Foundation is doing the work of NNRO. Mr. Gibney responded that NNRO is a separate community development corporation. They have been contracting with South Bend Heritage Foundation for approximately five years for planning and development activities. They are completely separate corporations, but they are paid an annual fee to carry out those community development activities.

Mr. Peczkowski: Why do they have the same address?

Mr. Gibney: NNRO does not have an office in the Northeast Neighborhood. They own a piece of real estate, the old fire station. Their meetings are held at Madison Center. The people who are carrying out the contract are South Bend Heritage Foundation at that 803 Lincolnway West address.

Mr. Downes made a motion to approve the Agreement for Services by and between the City of South Bend, Department of Redevelopment, acting by and through the South Bend Redevelopment Commission and South Bend Heritage Foundation for implementation of the Dollar House Program. Mr. King seconded the motion. The motion passed on a vote of four in favor. Mr. Peczkowski abstained.

COMMISSION APPROVED THE AGREEMENT FOR SERVICES BY AND BETWEEN THE CITY OF SOUTH BEND, DEPARTMENT OF REDEVELOPMENT, ACTING BY AND THROUGH THE SOUTH BEND REDEVELOPMENT COMMISSION AND SOUTH BEND HERITAGE FOUNDATION. (FOR IMPLEMENTATION OF THE DOLLAR HOUSE PROGRAM)

- (2) **Commission approval requested for Agreement for Services by and between the City of South Bend, Department of Redevelopment, acting by and through the South Bend Redevelopment Commission and Northeast Neighborhood**

**Revitalization Organization. (For
implementation of the Dollar House
Program)**

Mr. Downes made a motion to approve the Agreement for Services by and between the City of South Bend, Department of Redevelopment, acting by and through the South Bend Redevelopment Commission and the Northeast Neighborhood Revitalization Organization Inc. for implementation of the Dollar House Program. Mr. King seconded the motion. The motion passed on a vote of four in favor. Mr. Peczkowski abstained.

COMMISSION APPROVED THE AGREEMENT FOR SERVICES BY AND BETWEEN THE CITY OF SOUTH BEND, DEPARTMENT OF REDEVELOPMENT, ACTING BY AND THROUGH THE SOUTH BEND REDEVELOPMENT COMMISSION AND THE NORTHEAST NEIGHBORHOOD REVITALIZATION ORGANIZATION (FOR IMPLEMENTATION OF THE DOLLAR HOUSE PROGRAM)

- (3) **Commission approval requested for Resolution No. 2372 approving and authorizing certain actions including the execution of an agency agreement by and between the South Bend Redevelopment Commission and the City of South Bend, Indiana, Board of Public Works relating to Redevelopment activities within the City of South Bend, Indiana, Northwest Neighborhood Area.**

Mr. Inks noted that this is the same dollar house program, but because it's for the Portage Avenue area, it doesn't fall within a redevelopment area, so the Board of Works will have an agreement with the Near Northwest Neighborhood Organization for their services. Resolution No. 2372 authorizes the Commission to act as the Board of Works' agent on behalf of the city because of the Commission's expertise in the housing area.

Mr. Downes made a motion to approve Resolution No. 2372 approving and authorizing certain actions including the execution of an agency agreement by and

COMMISSION APPROVED RESOLUTION No. 2372 APPROVING AND AUTHORIZING CERTAIN ACTIONS INCLUDING THE EXECUTION OF AN AGENCY AGREEMENT BY AND BETWEEN THE SOUTH BEND REDEVELOPMENT COMMISSION

South Bend Redevelopment Commission
Regular Meeting –August 3, 2007

between the South Bend Redevelopment Commission and the City of South Bend, Indiana, Board of Public Works relating to Redevelopment activities within the City of South Bend, Indiana, Northwest Neighborhood Area. Mr. King seconded the motion. The motion passed on a vote of four in favor. Mr. Peczkowski abstained.

AND THE CITY OF SOUTH BEND, INDIANA,
BOARD OF PUBLIC WORKS RELATING TO
REDEVELOPMENT ACTIVITIES WITHIN THE CITY
OF SOUTH BEND, INDIANA, NORTHWEST
NEIGHBORHOOD AREA

7. PROGRESS REPORTS

Mr. Laurent reported on the former South Bend Lathe site at 400 W. Sample St. The United States EPA's Emergency Response Section has demobilized from the site as of Tuesday, July 31. They moved all the underground storage tanks, the transformers, pails, drums, any immediate threats to the health and environment that were there. They figured they spent approximately \$500,000 on the site, cost savings to the Commission and to the city. They will now pursue past owners for those costs. We are now free and clear to begin our demolition project. We hope to get that out for bid within four to six weeks.

PROGRESS REPORTS

8. NEXT COMMISSION MEETING


The next meeting of the Redevelopment Commission is scheduled for Friday, August 17, 2007 at 10:00 a.m.


NEXT COMMISSION MEETING

9. ADJOURNMENT

There being no further business to come before the Redevelopment Commission, Mr. King made a motion that the meeting be adjourned. Mr. Downes seconded the motion and the meeting was adjourned at 10:54 a.m.

ADJOURNMENT


Donald E. Inks, Director


Marcia I. Jones, President